

ORDINANCE NO. _____

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$57,500,000 CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2005 TO REFUND CERTAIN OUTSTANDING OBLIGATIONS AND PAY THE COSTS OF CERTAIN CAPITAL IMPROVEMENTS; PLEDGING CERTAIN NON-AD VALOREM TAX REVENUES FOR THE PAYMENT OF SAID BONDS; DELEGATING THE AWARD OF THE SERIES 2005 BONDS TO THE CHAIRMAN; APPROVING THE DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT IN CONNECTION THEREWITH MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA, that:

SECTION 1. AUTHORITY FOR THIS ORDINANCE. This Ordinance is enacted pursuant to the provisions of Chapter 125, Florida Statutes, Ordinance No. 98-02 enacted on March 31, 1998, as amended and supplemented, and other applicable provisions of law.

SECTION 2. DEFINITIONS. The following terms in this Ordinance shall have the following meanings unless the text otherwise expressly requires:

"Accreted Value" shall mean of any date of calculation the amount owed as principal and interest on a Capital Appreciation Bond prior to maturity taking into consideration the initial offering price plus accrued interest with interest compounded semi-annually on October 1 and April 1 of each year, with interest commencing the date of delivery of the Capital Appreciation Bonds, as shall be determined by subsequent resolution of the Issuer. The Accreted Value for the first day of a month other than an October or April shall be calculated by straight line interpolation using for purposes of such calculation an assumed period of 180 days intervening between the then next succeeding October 1 or April 1, as the case may be.

"Additional Parity Obligations" shall mean additional obligations issued in compliance with the terms, conditions and limitations contained in this Ordinance and which (i) shall have a lien on the Pledged Revenues equal to that of the Parity Bonds and the Series 2005 Bonds, and

(ii) shall be payable from the proceeds of the Pledged Revenues on a parity with the Parity Bonds and the Series 2005 Bonds.

"Additional State Revenue Sharing Funds" shall mean 50% of the funds received in the prior year by the Issuer from the Revenue Sharing Trust Fund for Counties minus the Guaranteed Entitlement and the Second Guaranteed Entitlement.

"Amortization Installment" with respect to any Term Bonds, shall mean an amount so designated for mandatory principal installments (for mandatory call or otherwise) payable on any Terms Bonds issued under the provisions of this Ordinance or any subsequent ordinance or resolution authorizing Additional Parity Obligations.

"Average Annual Bond Service Requirement" shall mean, as of each date on which a series of Bonds is issued, the total amount of Bond Service Requirement to become due on all Bonds deemed to be Outstanding immediately after the issuance of such series of Bonds divided by the total number of years for which Bonds are deemed to be Outstanding, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Amortization Installments to be made in prior Bond Years.

"Bonds" shall mean the Parity Bonds, the Series 2005 Bonds and any Additional Parity Obligations issued hereafter.

"Bond Insurer" or "Ambac Assurance" shall mean Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

"Bond Service Requirement" shall mean, in any Bond Year (or Fiscal Year) (i) the sum of the amount required to be deposited into the Interest Account in such year, (ii) the amount required to be deposited into the Principal Account in such year, if any, and (iii) the amount required to be deposited into the Redemption Account in such year, if any. With respect to Variable Rate Bonds, the interest rate used to calculate the Bond Service Requirement shall be assumed to be the lesser of the 30-year Revenue Bonds Index (published by the Bond Buyer) no more than two weeks prior to the sale of such Variable Rate Bonds or the maximum legal rate.

"Bond Year" shall mean the period commencing on October 2 of each year and ending on the succeeding October 1.

"Chairman" shall mean the Chairman of the Board of County Commissioners of Leon County, Florida and such term shall also include the Vice Chairman or the Chairman's designee.

"Clerk" shall mean the Clerk of the Circuit Court and such term shall include any Deputy Clerk.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance and delivery of the Series 2005 Bonds, as it may be amended from time to time in accordance with the terms thereof.

"Escrow Deposit Agreement" shall mean escrow deposit agreement between the Issuer and the Escrow Holder dated as of the date of closing.

"Escrow Holder" shall mean Wachovia Bank, National Association and its successors and assigns.

"Federal Securities" shall mean direct obligations of, or obligations of the principal of and interest on which are unconditionally guaranteed by the United States of America, which are not redeemable prior to maturity at the option of the obligor.

"Financial Guaranty Insurance Policy" shall mean the financial guaranty insurance policy issued by Ambac Assurance insuring the payment when due of the principal of and interest on the Series 2005 Bonds as provided therein.

"Guaranteed Entitlement Revenues" shall mean the guaranteed entitlement revenues received by the Issuer pursuant to Chapter 218, Part II, Florida Statutes, and defined therein as the "Guaranteed Entitlement."

"Holder" or "Holder of Bonds" or any similar term shall mean any person who shall be the registered owner of any outstanding Bonds.

"Issuer" shall mean Leon County, Florida.

"Local Government Half-Cent Sales Tax" shall mean the local government half-cent sales tax revenues received by the Issuer pursuant to Chapter 218, Part VI, Florida Statutes.

"Maximum Bond Service Requirement" shall mean, as of any particular date of calculation, the greatest amount of aggregate Bond Service Requirement for the then current or any future Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Amortization Installments which were to be made in prior Bond Years.

"Ordinance" shall mean this Ordinance as from time to time amended or supplemented in accordance with the terms hereof.

"Original Ordinance" shall mean Ordinance No. 84-50 enacted October 16, 1984, as amended and supplemented, from time to time.

"Outstanding" or "Bonds Outstanding" shall mean all Bonds which have been issued pursuant to this Ordinance, except:

(1) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(2) Bonds for the payment or redemption of which cash funds or acquired obligations or any combination thereof shall have theretofore irrevocably set aside in a special account with an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such acquired obligations, will be sufficient to pay the principal of and interest on such Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of this Ordinance or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all Bonds at such redemption dates shall have been given to the escrow agent; and

(3) Bonds which are deemed paid pursuant to this Ordinance.

"Parity Bonds" shall mean the Series 1998A Bonds, the Series 1998B Bonds, the Series 1999 Bonds and the Series 2003 Bonds.

"Paying Agent" shall mean Wachovia Bank, National Association and its successors and assigns.

"Permitted Investments" shall mean the following:

Ambac Assurance will allow the following obligations to be used as Permitted Investments for all purposes, including defeasance investments in refunding escrow accounts.

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation),

(2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:

- U.S. treasury obligations
- All direct or fully guaranteed obligations
- Farmers Home Administration

- General Services Administration
- Guaranteed Title XI financing
- Government National Mortgage Association (GNMA)
- State and Local Government Series

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

B. Ambac will allow the following Obligations to be used as Permitted Investments for all purposes other than defeasance investments in refunding escrow accounts.

(1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank

(2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by Ambac

(3) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(4) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

(6) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

- (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or
- (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(7) Municipal Obligations rated "Aaa/AAA" or general obligations of States with a rating of "A2/A" or higher by both Moody's and S&P.

(8) Investment Agreements approved in writing by Ambac Assurance Corporation (supported by appropriate opinions of counsel);

(9) The State of Florida Special Purpose Investment Account; and

(10) other forms of investments (including repurchase agreements) approved in writing by Ambac.

C. The value of the above investments shall be determined as follows:

- a) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Paying Agent shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Bear Stearns, or Lehman Brothers.
- b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon; and
- c) As to any investment not specified above: the value thereof established by prior agreement among the Issuer, the Paying Agent, and Ambac.

"Pledged Revenues" shall mean collectively, the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues, the Second Guaranteed Entitlement and the Additional State Revenue Sharing funds, all as defined herein.

"Prior Bonds" shall mean the Series 1993 Bonds and the Series 1997 Bonds.

"Project" shall mean collectively, (i) completion of renovations of county courthouse, (ii) construction, acquisition and/or renovation of a facility to house the Issuer's growth, environmental management and inspection functions and/or other Issuer operations; (iii) construction and/or land acquisition for a branch library, and (iv) any other capital project authorized by law.

"Refunded Bonds" shall mean a portion of the Issuer's \$7,255,000 Capital Improvement Revenue Bonds, Series 1997, a portion of the Issuer's \$9,710,000 Capital Improvement Revenue Bonds, Series 1998A and/or a portion of the Issuer's \$29,900,000 Capital Improvement Revenue Bonds, Series 1999.

"Registrar" shall mean Wachovia Bank, National Association and its successors and assigns.

"Reserve Requirement" shall mean, in any year, the lesser of (i) ten percent (10%) of the proceeds of the Bonds, (ii) the Maximum Bond Service Requirement on the Bonds becoming due in any ensuing Bond Year, or (iii) 125% of the Average Annual Bond Service Requirement on Outstanding Bonds becoming due in any Bond Year.

"Second Guaranteed Entitlement Revenues" shall mean the second guaranteed entitlement revenues received by the Issuer pursuant to Chapter 218, Part II, and defined therein as the "Second Guaranteed Entitlement for counties."

"Series 1993 Bonds" shall mean the Outstanding Bonds of the Issuer's \$12,680,000 Refunding Revenue Bonds, Series 1993.

"Series 1997 Bonds" shall mean the Issuer's unrefunded \$7,255,000 Capital Improvement Revenue Bonds, Series 1997.

"Series 1998A Bonds" shall mean the Issuer's unrefunded \$9,710,000 Capital Improvement Revenue Bonds, Series 1998A.

"Series 1998B Bonds" shall mean the Issuer's Outstanding \$28,395,000 Capital Improvement Revenue Bonds, Series 1998B.

"Series 1999 Bonds" shall mean the Issuer's unrefunded \$29,900,000 Capital Improvement Revenue Bonds, Series 1999.

"Series 2003 Bonds" shall mean collectively, the Series 2003A Bonds and the Series 2003B Bonds.

"Series 2003A Bonds" shall mean the Issuer's \$7,965,000 Capital Improvement Revenue Bonds, Series 2003A.

"Series 2003B Bonds" shall mean the Issuer's \$12,465,000 Taxable Capital Improvement Revenue Bonds, Series 2003B.

"Surety Bonds" shall mean the surety bond issued by Ambac Assurance guaranteeing certain payments into the Reserve Fund with respect to the Series 2005 Bonds as provided therein and subject to the limitations set forth therein.

"Term Bonds" shall mean the Bonds which are subject to Amortization Installments, and are designated as Term Bonds in a subsequent ordinance or resolution of the Issuer.

"Underwriters" shall mean A.G. Edwards & Sons, Inc., Citigroup Global Markets, Jackson Securities, Inc. and UBS Financial Services Inc.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(a) The Issuer has previously issued its Series 1998A Bonds, Series 1998B Bonds and Series 1999 Bonds and Series 2003 Bonds payable from the Pledged Revenues and its Series 1993 Bonds and Series 1997 Bonds payable from Local Government Half-Cent Sales Tax and Guaranteed Entitlement, as well as certain other non-ad valorem revenue of the Issuer.

(b) The Issuer now deems it necessary and in its best interest to provide for the issuance of the Series 2005 Bonds.

(c) The Pledged Revenues are not now pledged except for the payment of the principal and interest on the outstanding Prior Bonds (with respect to the Local Government Half-Cent Sales Tax and Guaranteed Entitlement only) and the Parity Bonds.

(d) The lien of the Series 2005 Bonds on the Pledged Revenues herein authorized shall be junior and subordinate to the lien on the Prior Bonds on the Local Government Half-Cent Sales Tax and Guaranteed Entitlement, and equal and ratable to the lien on the Parity Bonds.

(e) The estimated Pledged Revenues will be sufficient to pay the principal of and interest on the Series 2005 Bonds and to make all required reserve or other payments required by the Ordinance.

(f) The principal of and interest on the Series 2005 Bonds and all required reserve payments shall be payable solely from the Pledged Revenues as herein provided. The Issuer shall never be required to levy ad valorem taxes on any property to pay the principal of and interest on the Series 2005 Bonds herein authorized or to make any other payments provided for herein. The Series 2005 Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer, except for the Pledged Revenues.

(g) The Issuer desires to sell its Series 2005 Bonds pursuant to a Bond Purchase Agreement subject to certain conditions herein.

(h) Due to the present instability in the market for tax-exempt obligations, the critical importance of the timing of the sale of the Series 2005 Bonds, the Issuer deems it in the best interest of the public and the Issuer to sell the Series 2005 Bonds at a negotiated sale.

(i) The Issuer has been or will be provided all applicable disclosure information required by Section 218.385(6), Florida Statutes.

(j) The issuer desires to amend certain prior ordinances authorizing the Parity Bonds to provide the addition of the Additional State Revenue Sharing Funds as additional security for the Parity Bonds.

SECTION 4. ORDINANCE TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2005 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all Series 2005 Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Series 2005 Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 5. AUTHORIZATION OF SERIES 2005 BONDS. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Capital Improvement Revenue Refunding Bonds, Series 2005" or "Capital Improvement Revenue Bonds, Series 2005" are hereby authorized in the aggregate principal amount of not exceeding \$57,500,000.

SECTION 6. AUTHORIZATION OF REFUNDING AND PROJECT. The refunding of the Refunded Bonds and the Project are hereby authorized and approved. The Issuer may choose to refund all, some or none of the Refunded Bonds described herein.

SECTION 7. DESCRIPTION OF SERIES 2005 BONDS. The Series 2005 Bonds shall be issued in fully registered form; shall be numbered consecutively from R-1 upward; shall be in the denomination of \$5,000 each, or integral multiples thereof; shall bear interest at such rate or rates not exceeding the maximum rate allowed by Florida law, including variable rates, the annual rate or rates to be determined by the governing body of the issuer prior to or upon the sale of the Series 2005 Bonds; such interest to be payable semi-annually at such times as are fixed by resolution of the Issuer, and may be serial and/or Term Bonds.

Each Series 2005 Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated on an interest payment date, in which case it shall bear interest from such interest payment date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Series 2005 Bond shall bear interest from the date to which interest shall have been paid.

A book-entry-only system of registration is hereby authorized for the Series 2005 Bonds. So long as the Issuer shall maintain a book-entry-only system with respect to the Series 2005 Bonds, the following provisions shall apply:

A blanket issuer letter of representations (the "BLoR") was entered into by the Issuer with The Depository Trust Company ("DTC"). It is intended that the Series 2005 Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such BLoR. The terms and conditions of such BLoR shall govern the registration of the Series 2005 Bonds. The Series 2005 Bonds shall be initially issued in the form of a single fully registered bond for each maturity of the series. Upon initial issuance, the ownership of such Series 2005 Bonds shall be registered by the Registrar in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. So long as any Series 2005 Bond is registered in the name of DTC (or its nominee), the Issuer, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive holder of such Series 2005 Bonds registered in its name, and all payments with respect to the principal or redemption price of, if any, and interest on such Series 2005 Bond ("Payments") and all notices with respect to such Series 2005 Bond ("Notices") shall be made or given, as the case may be, to DTC. Transfers of Payments and delivery of Notices to DTC Participants shall be the responsibility of DTC and not of the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time. Transfers of Payments and delivery of Notices to beneficial owners of the Series 2005 Bonds by DTC Participants shall be the responsibility of such participants, indirect participants and other nominees of such beneficial owners and not of the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time.

Upon (a) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in

the best interest of the beneficial owners of the Series 2005 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, (b) termination, for any reason, of the agreement among the Issuer, the Registrar and Paying Agent and DTC evidenced by the BLoR, or (c) determination by the Issuer that such book-entry only system should be discontinued by the Issuer, and compliance with the requirements of any agreement between the Issuer and DTC with respect thereto, the Series 2005 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions hereof. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Series 2005 Bonds consistent with the terms hereof, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the BLoR shall apply to the registration and transfer of the Series 2005 Bonds and to Payments and Notices with respect thereto.

The Registrar shall keep books for registration of Series 2005 Bonds and for the registration of transfers of Series 2005 Bonds as provided in this Ordinance. The transfer of any Series 2005 Bonds may be registered only upon such book and only upon surrender thereof to the Registrar together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon such registration of transfer the Issuer shall execute and the Registrar shall authenticate and deliver in exchange for such Series 2005 Bond, a new Series 2005 Bond registered in the name of the transferee, and in aggregate principal amount equal to the principal amount of such Series 2005 Bond so surrendered. The Issuer may make a charge for every exchange or registration of transfer of Series 2005 Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. Neither the Issuer nor the Registrar shall be required to make any such exchange or registration of transfer of Series 2005 Bonds during the fifteen (15) days immediately preceding any interest payment date or redemption date.

SECTION 8. EXECUTION OF SERIES 2005 BONDS. The Series 2005 Bonds shall be signed by, or bear the facsimile signature of, the Chairman of the Board of County Commissioners and shall be signed by, or bear the facsimile signature of, the Clerk and a facsimile of the official seal of the Issuer shall be imprinted on the Series 2005 Bonds.

In case any officer whose signature or a facsimile of whose signature shall appear on any Series 2005 Bonds shall cease to be such officer before the delivery of such Series 2005 Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Series 2005 Bond may bear the facsimile signature of or may be signed by such persons who, at the actual time of the execution of such Series 2005 Bond, shall be the proper officers to sign such Series 2005 Bond although at the date of such Series 2005 Bond such persons may not have been such officers.

SECTION 9. PROVISIONS FOR REDEMPTION. The Series 2005 Bonds shall be subject to redemption prior to their maturity, at the option of the Issuer, at such times and in such manner as shall be fixed by the Bond Purchase Agreement.

Notice of such redemption shall, at least thirty (30) days prior to the redemption date, be filed with the Registrar; and mailed, postage prepaid, to all Holders of Series 2005 Bonds to be redeemed at their addresses as they appear on the registration books hereinbefore provided for, but failure to mail such notice to one or more Holders of Series 2005 Bonds shall not affect the validity of the proceedings for such redemption with respect to Holders of Series 2005 Bonds to which notice was duly mailed hereunder. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2005 Bonds of one maturity are to be called, the distinctive numbers of such Series 2005 Bonds to be redeemed and in the case of Series 2005 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Failure to mail such notice of redemption shall not affect the validity of any proceedings for the redemption of the Series 2005 Bonds with respect to the Holders of Series 2005 Bonds to which notice was duly mailed.

Notice having been mailed to the Holders of Series 2005 Bonds in the manner and under the conditions provided herein, the Series 2005 Bonds or portion of the Series 2005 Bonds so called for redemption will, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2005 Bonds or portions of the Series 2005 Bonds on such date. On the date so designated for redemption, notice having been mailed and filed and moneys for payment of the redemption price being held in separate accounts in trust for the Holders of the Series 2005 Bonds or portions thereof to be redeemed, all as provided herein, interest on the Series 2005 Bonds or portions of the Series 2005 Bonds so called for redemption will cease to accrue, such Series 2005 Bonds and portions of the Series 2005 Bonds will cease to be entitled to any lien, benefit, or security hereunder, and the Holders of such Series 2005 Bonds or portions of the Series 2005 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

SECTION 10. FORM OF SERIES 2005 BONDS. The text of the Series 2005 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Ordinance or by any subsequent ordinance or resolution adopted prior to the issuance thereof:

[FORM OF SERIES 2005 BOND]

No. R-

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UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF LEON
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2005

KNOW ALL MEN BY THESE PRESENTS that Leon County, Florida (hereinafter called "County"), for value received, hereby promises to pay to the order of _____, or registered assigns, as herein provided, on the _____ day of _____, upon the presentation and surrender hereof at the principal corporate trust office of _____, in the City of _____, Florida (the "Registrar"), from the special funds hereinafter mentioned, the principal sum of _____ DOLLARS in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from said sources, to the registered owner hereof by check mailed to the registered owner at his address as it appears on the Bond registration books of the County, interest on said principal sum on each April 1 and October 1 commencing October 1, 2005 from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from said interest payment date, or unless this Bond is registered and authenticated prior to _____, in which event this Bond shall bear interest from _____.

The Bonds of this issue shall be subject to redemption prior to their maturity at the option of the County.

(Insert Optional or Mandatory Redemption Provisions)

Notice of such redemption shall be given in the manner required by the Ordinance described below.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$ _____ of like date, tenor and effect, except as to number, maturity and interest rate, issued to finance the cost of acquisition of a _____ and other capital projects permitted by law in Leon County, Florida, (the "Project") and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Ordinance No. 98-02 duly enacted on March 31, 1998, as amended and supplemented, and Ordinance No. ____ duly enacted on March _____, 2005 (hereinafter called "Ordinance"), and is subject to all the terms and conditions of such Ordinance.

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This Bond is payable solely from and secured by a lien upon and pledge of the Pledged Revenues, as defined in the Ordinance, in the manner provided in the Ordinance. It is provided in the Ordinance that the lien on the Bonds on the Local Government Half-Cent Sales Tax and Guaranteed Entitlement included in the Pledged Revenues is junior and subordinate to the lien thereon of the Prior Bonds and the lien on the Bonds on the Pledged Revenues is equal and ratable to the lien on the Parity Bonds on the Pledged Revenues, all as defined in the Ordinance.

This Bond does not constitute a general indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Holder of this Bond that such Bondholder shall never have the right to require or compel the exercise of the ad valorem taxing power of the County or taxation of any real or personal property therein for the payment of the principal of and interest on this bond or the making of any Debt Service Fund, reserve or other payments provided for in the Ordinance.

It is further agreed between the County and the Holder of this Bond that this Bond and the indebtedness evidenced thereby shall not constitute a lien upon any property of or in the County, but shall constitute a lien only on the Pledged Revenues all in the manner provided in the Ordinance.

The County in the Ordinance has covenanted with and for the benefit of the holders of the Bonds of this issue (i) that it will take all actions required to insure receipt of the Pledged Revenues, as defined in the Ordinance, (ii) that the pledge and covenants in the Ordinance constitute a contract between the County and the holders of the Bonds of this issue not subject to repeal, impairment or modification by the County. The County has made certain other covenants for the benefit of the holders of the Bonds of this issue, for the terms of which reference is made to the Ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds of this issue does not violate any constitutional, statutory, or charter limitation or provision.

This Bond is and has all the qualities and incidents of a negotiable instrument under Article 8 of the Uniform Commercial Code, the State of Florida, Chapter 678, Florida Statutes.

The transfer of this Bond is registrable by the Bondholder hereof in person or by his attorney or legal representative at the principal corporate trust office of the Registrar but only in the manner and subject to the conditions provided in the Ordinance and upon surrender and cancellation of this Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Ordinance until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Leon County, Florida, has issued this Bond and has caused the same to be signed by the Chairman [or Vice Chairman] of the Board of County Commissioners and countersigned and attested to by the Clerk [or Deputy Clerk], (the signatures of the Chairman or Vice Chairman and the Clerk or Deputy Clerk being authorized to be facsimile of such officers' signatures) and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the _____ day of _____, 2005.

LEON COUNTY, FLORIDA

(SEAL)

(manual or facsimile)
Chairman [or Vice Chairman]

ATTESTED AND COUNTERSIGNED:

(manual or facsimile)
Clerk [or Deputy Clerk]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Ordinance.

Registrar, as Authenticating Agent

Date of Authentication:

By (manual signature)
Authorized Officer

50

ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto

(Please insert Social Security or other identifying number of transferee) _____ the attached Bond of Leon County, Florida, and does hereby constitute and appoint _____, attorney, to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date _____

Signature Guaranteed by

[member firm of the New York Stock Exchange or a commercial bank or a trust company.]

By: _____ (manual signature)

NOTICE: No transfer will be registered and no new Bonds will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever and the Social Security or Federal Employer Identification Number of the Transferee as supplied.

[END OF SERIES 2005 BOND FORM]

SECTION 11. APPLICATION OF PROVISIONS OF ORDINANCE NO. 98-02. The Series 2005 Bonds, herein authorized, shall for all purposes (except as herein expressly provided) be considered to be Additional Parity Obligations issued under the authority of Ordinance No. 98-02, as amended and supplemented, and shall be entitled to all the protection and security provided therein for the Parity Bonds and shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Bonds. The principal of and interest on the Series 2005 Bonds herein authorized shall be payable from the Debt Service Fund established in Ordinance No. 98-02 (and restated herein) on a parity with the Parity Bonds and payments shall be made into such Debt Service Fund by the Issuer in amounts fully sufficient to pay the principal of and interest on the Parity Bonds and the Series 2005 Bonds herein authorized as such principal and interest become due.

SECTION 12. APPLICATION OF SERIES 2005 BOND PROCEEDS. (a) The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Series 2005 Bonds shall be applied by the Issuer simultaneously with the delivery of such Series 2005 Bonds to the purchaser thereof, as follows:

A. The accrued interest, if any, and capitalized interest, if any, shall be deposited in the Interest Account in the Debt Service Fund and shall be used only for the purpose of paying interest becoming due on the Series 2005 Bonds.

B. Unless provided from other funds of the Issuer on the date of issuance of the Series 2005 Bonds, or unless provided for through the purchase of municipal bond insurance, a surety bond or other credit facility, a sum sufficient, with other funds on deposit in the Reserve Fund, to equal the Reserve Requirement shall be deposited in the Reserve Fund, and shall be used only for the purposes provided therefore.

C. A sum specified in the Escrow Deposit Agreement which, together with the other funds described therein, will be sufficient to pay, as of any date of calculation, the principal of, interest on, premium, if any, and other costs and obligations incurred with respect to the Refunded Bonds as the same shall become due or are redeemed and to pay the expenses, if any, specified in the Escrow Deposit Agreement, shall be deposited into the escrow account established in the Escrow Deposit Agreement.

Simultaneously with the delivery of the Series 2005 Bonds to the purchaser hereof, the Issuer shall enter into the Escrow Deposit Agreement, in substantially the form attached hereto as Exhibit A which is hereby approved with the Escrow Holder. Such Escrow Deposit Agreement shall provide for the deposit of sums into the escrow account and for the investment of such moneys in Federal Securities so as to produce sufficient funds to make all of the payments described in the first paragraph of this subsection C. At the time of execution of the Escrow Deposit Agreement, the Issuer shall furnish to the Escrow Holder named therein appropriate documentation and independent verification by an independent certified public

accountant to demonstrate that the sums being deposited and the investments to be made will be sufficient for such purposes.

D. The balance of the Series 2005 Bond proceeds shall be deposited in the Construction Fund. The Issuer covenants and agrees to establish a separate fund in a bank or trust company in the State, which is eligible under the laws of the State to receive funds of the Issuer, to be known as the "Leon County Capital Improvement Revenue Refunding Bonds, Series 2005 Construction Fund," (hereinafter referred to as the "Series 2005 Construction Fund") which shall be used only for the payment of the cost of the Project. Moneys in the Series 2005 Construction Fund until applied in payment of any item of the cost of the Project, shall be held in trust by the Issuer and shall be subject to the lien and charge in favor of the Holders of the Series 2005 Bonds and for the further security of the Holders.

E. To the extent not paid by the original purchaser of the Series 2005 Bonds, the Issuer shall pay all costs and expenses in connection with the issuance, sale and delivery of the Series 2005 Bonds.

SECTION 13. SPECIAL OBLIGATIONS OF ISSUER. The Series 2005 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues junior and subordinate to the lien thereon (with respect to the Local Government Half-Cent Sales Tax and Guaranteed Entitlement) of the Prior Bonds and equal and ratable to the lien thereon of the Parity Bonds, as herein provided. No Holder or Holders of any Series 2005 Bonds issued hereunder shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any property therein, or to compel the Issuer to pay such principal and interest from any other funds of the Issuer except the Pledged Revenues.

The payment of the principal of and interest on the Series 2005 Bonds shall be secured forthwith equally and ratably by, and the Issuer hereby grants to the Series 2005 Bondholder an irrevocable lien on the Pledged Revenues, junior and subordinate to the lien thereon of the Prior Bonds (with respect to the Local Government Half-Cent Sales Tax and Guaranteed Entitlement) and equal and ratable to the lien thereon of the Parity Bonds. The Issuer does irrevocably pledge such Pledged Revenues to the payment of the principal of and interest on the Series 2005 Bonds, for the reserves therefor and for all other required payments. Such amounts hereby pledged shall immediately be subject to the lien of this pledge without any further physical delivery thereof or any further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

SECTION 14. COVENANTS OF THE ISSUER. For so long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid or until the Issuer has made provision for payment of principal, interest and redemption premiums, if any, with respect to the Bonds, as provided herein, the Issuer covenants with the Holders of any and all Bonds as follows:

(A) *REVENUE FUND.* All Pledged Revenues, after payments required by the Original Ordinance, shall be deposited in the Revenue Fund. All deposits into such Revenue Fund shall be deemed to be held in trust for the purposes herein provided and used only for the purposes and in the manner herein provided.

(B) *DISPOSITIONS OF REVENUES.* All amounts in the Revenue Fund shall be disposed of monthly, but not later than the twenty-eighth (28th) day of each month in the following manner and the following order of priority:

(1) The Issuer shall first deposit into the Debt Service Fund and credit to the following accounts, in the following order (except that payments into the Principal Account and the Redemption Account shall be on a parity with each other), the following identified sums:

(a) *Interest Account:* Such sum as will be sufficient to pay one-sixth (1/6th) of all interest coming due on all Bonds on the next interest payment date, together with any fees and charges of the Paying Agent and Registrar therefor. The moneys in the Interest Account shall be withdrawn and deposited with the Paying Agent and Registrar for the Bonds on or before each interest payment date in an amount sufficient to pay the interest due on such date and the fees of the Registrar.

(b) *Principal Account:* Such sum as will be sufficient to pay one-twelfth (1/12th) of the principal amount of the Bonds which will mature and become due on such annual maturity dates beginning in the month which is twelve (12) months prior to the first principal maturity date. The moneys on deposit in the Principal Account shall be withdrawn and deposited with the Paying Agent and Registrar for such Bonds on or before each principal maturity date in an amount sufficient to pay the principal maturing on such date and the fees and charges of the Paying Agent and Registrar.

(c) *Redemption Account:* Such sum as will be sufficient to pay any Amortization Installment established for the Term Bonds established by any subsequent resolution of the Issuer.

(2) To the extent that the amounts on deposit in the Reserve Fund are less than the Reserve Requirement, the Issuer shall next make deposits into the Reserve Fund in the manner described below from moneys remaining in the Revenue Fund. Any withdrawals from the Reserve Fund shall be subsequently restored from the first moneys available in the Revenue

Fund, after all current applications and allocations to the Debt Service Fund, including all deficiencies for prior payments that have been made in full. The Issuer may provide that the difference between the amounts on deposit in the Reserve Fund and the Reserve Requirement shall be an amount covered by a letter of credit rated in one of the two highest categories by nationally recognized rating agencies, by a surety bond acceptable to any company issuing a policy of municipal bond insurance guaranteeing the payment of principal and interest on the Bonds, or any combination thereof. Moneys in the Reserve Fund shall be used only for the purpose of the payment of Amortization Installments, principal of, or interest on the Bonds when the other moneys allocated to the Debt Service Fund are insufficient therefor, and for no other purpose.

Moneys in the Reserve Fund shall be valued at cost. In the event of the refunding of any Series of Bonds, the Issuer may withdraw from the Reserve Fund, all or any portion of the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts as required by the ordinance or resolution authorizing the refunding of such Series of Bonds; provided that such withdrawal shall not be made unless (a) immediately thereafter, the Bonds being refunded shall be deemed to have been paid pursuant to the provisions hereof, and (b) the amount remaining in the Reserve Fund after giving effect to the issuance of such refunding obligations and the disposition of the proceeds thereof shall not be less than the Reserve Requirement for any Bonds then Outstanding. Any excess moneys on deposit in the Reserve Fund shall be transferred by the Issuer to the Debt Service Fund.

(3) The balance of any moneys remaining in the Revenue Fund after the above required payments have been made may be used for any lawful purpose; provided, however, that none of said money shall be used for any purposes other than those hereinabove specified unless all current payments, including any deficiencies for prior payments, have been made in full and unless the Issuer shall have complied fully with all the covenants and provisions of this Ordinance.

(4) The Debt Service Fund (including the accounts therein), the Reserve Fund, the Revenue Fund and any other special funds herein established and created shall be deemed to be held in trust for the purposes provided herein for such funds. The money in all such funds shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State of Florida.

Moneys in any fund or account created hereunder (with the exception of the Reserve Fund) may be invested and reinvested in permitted investments which mature not later than the dates on which the moneys on deposit therein will be needed for the purpose of such fund. Moneys in the Reserve Fund may be invested and reinvested in permitted investments maturing not later than the date of the last maturity of any of the Bonds. All income on such investments, except as otherwise provided, shall be deposited in the respective funds and accounts from which such investments were made and be used for the purposes thereof unless and until the maximum required amount (or, with respect to the Construction Fund, the

amount required to acquire, construct and erect the Project) is on deposit therein, and thereafter shall be deposited in the Revenue Fund.

(5) In determining the amount of any of the payments required to be made pursuant to this Section, credit may be given for all investment income accruing to the respective funds and accounts described herein, except as otherwise provided.

(6) The cash required to be accounted for in each of the funds and accounts described in this Section may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the cash on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of the various funds in and by this Ordinance shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

(C) *ISSUANCE OF ADDITIONAL PARITY OBLIGATIONS.* No Additional Parity Obligations shall be issued after the issuance of the Series 2005 Bonds herein authorized, except upon the conditions and in the manner hereinafter provided:

(1) There shall have been obtained and filed with the Issuer a certificate of the finance officer of the Issuer stating: (a) the amount of the Pledged Revenues received by the Issuer for the fiscal year immediately preceding the date of issuance of such Additional Parity Obligations or for any consecutive twelve (12) months out of the thirty (30) months immediately preceding the date of issuance of the proposed Additional Parity Obligations with respect to which such certificate is made; (b) that the aggregate proceeds of the Pledged Revenues for such preceding fiscal year or for any consecutive twelve (12) months out of the thirty (30) months immediately preceding the date of issuance of the proposed Additional Parity Obligations equals at least one hundred thirty-five percent (135%) of the Maximum Bond Service Requirement computed on a basis which includes both (i) all Bonds then outstanding and (ii) the Additional Parity Obligations with respect to which such certificate is made.

(2) The Issuer shall not be in default in the carrying out of any of the obligations assumed under this Ordinance and no event of default shall have occurred under this Ordinance and shall be continuing, and all payments required by this Ordinance to be made into the funds and accounts established hereunder shall have been made to the full extent required.

(3) The document authorizing the issuance of the Additional Parity Obligations shall recite that all of the covenants contained herein will be applicable to such Additional Parity Obligations.

(D) *ISSUANCE OF OTHER OBLIGATIONS.* The Issuer hereby covenants and agrees that it will not issue any further debt pursuant to the Original Ordinance, whose lien is equal and ratable with the Prior Bonds and whose lien has priority over the Bonds. Any obligations of the Issuer, other than the Bonds, which are payable from the Pledged Revenues shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to the lien on and source and security for payment from such Pledged Revenues.

(E) *USE OF PLEDGED REVENUES FOR PRIOR BONDS.* The Issuer hereby covenants and agrees that for so long as any of the Prior Bonds are Outstanding, the Issuer will apply the Pledged Revenues as defined in the Original Ordinance (except the Guaranteed Entitlement Revenues and the Local Government Half-Cent Sales Tax) first to the Prior Bonds, next apply the Guaranteed Entitlement Revenues and the Local Government Half-Cent Sales Tax to the Prior Bonds, and finally the Issuer will apply the Guaranteed Entitlement Revenues and the Local Government Half-Cent Sales Tax (together with the Second Guaranteed Entitlement) to the Parity Bonds and the Series 2005 Bonds.

(F) *BOOKS AND ACCOUNTS.* The Issuer shall keep proper books, records and accounts of the receipts of the Pledged Revenues which shall be separate and apart from all other records and accounts of the Issuer, showing correct and complete entries of revenues collected and any Holders of any of the Bonds or any duly authorized agent or agents of such Holders shall have the right at any and all reasonable times to inspect such books, records and accounts. The Issuer shall, at least once in a year, cause the audit of such books, records and accounts to be made by an independent firm of certified public accountants. The audit shall include a certification by the accountants that (i) they are familiar with the provisions of this Ordinance, (ii) the results of the audit do or do not, as the case may be, comply with the provisions hereof, and (ii) the Issuer has or has not complied with the covenants hereunder.

Copies of each such audit report shall be placed on file with the Issuer and be made available at reasonable times for inspection by Holders of the Bonds.

(G) *PLEDGED REVENUES NOT SUBJECT TO REPEAL.* The Issuer has full power to irrevocably pledge such Pledged Revenues to the payment of the principal of and interest on the Bonds, and the pledging of such Pledged Revenues in the manner provided herein shall not be subject to repeal or impairment by any subsequent ordinance, resolution or other proceedings of the governing body of the Issuer.

(H) *COVENANT OF PLEDGED REVENUES.* The Issuer hereby covenants that as long as the Bonds are outstanding, it will not impair or adversely affect the right of the Issuer to receive the Pledged Revenues. The Issuer will proceed diligently to perform legally and effectively all steps required on its part to collect and receive the Pledged Revenues.

SECTION 15. MUNICIPAL BOND INSURER. The Issuer hereby authorizes the Series 2005 Bonds to be insured by a municipal bond insurance policy to be issued by Ambac

Assurance Corporation ("Ambac Assurance") concurrently with the delivery of the Series 2005 Bonds and further authorizes application of Series 2005 Bond proceeds to payment of the premium for the municipal bond insurance policy. A statement of insurance is authorized to be printed on the Series 2005 Bonds for the benefit and information of the Bondholders.

As long as the Financial Guaranty Policy shall be in full force and effect, the Issuer and Paying Agent agree to comply with the following provisions:

(a) At least one (1) business day prior to all Interest Payment Dates the Paying Agent, will determine whether there will be sufficient funds in the Funds and Accounts to pay the principal of or interest on the Series 2005 Bonds on such Interest Payment Date. If the Paying Agent determines that there will be insufficient funds in such Funds or Accounts, the Paying Agent shall so notify Ambac Assurance. Such notice shall specify the amount of the anticipated deficiency, the Series 2005 Bonds to which such deficiency is applicable and whether such Series 2005 Bonds will be deficient as to principal or interest, or both. If the Paying Agent has not so notified Ambac Assurance at least one (1) business day prior to an Interest Payment Date, Ambac Assurance will make payments of principal or interest due on the Series 2005 Bonds on or before the first (1st) business day next following the date on which Ambac Assurance shall have received notice of nonpayment from the Paying Agent.

(b) the Paying Agent shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance and, at Ambac Assurance's direction, to The Bank of New York, in New York, New York, as insurance trustee for Ambac Assurance or any successor insurance trustee (the "Insurance Trustee"), the registration books of the Issuer maintained by the Paying Agent and all records relating to the Funds and Accounts maintained under the Ordinance.

(c) the Paying Agent shall provide Ambac Assurance and the Insurance Trustee with a list of registered owners of Series 2005 Bonds entitled to receive principal or interest payments from Ambac Assurance under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 2005 Bonds entitled to receive full or partial interest payments from Ambac Assurance and (ii) to pay principal upon Series 2005 Bonds surrendered to the Insurance Trustee by the registered owners of Series 2005 Bonds entitled to receive full or partial principal payments from Ambac Assurance.

(d) the Paying Agent shall, at the time it provides notice to Ambac Assurance pursuant to (a) above, notify registered owners of Series 2005 Bonds entitled to receive the payment of principal or interest thereon from Ambac Assurance (i) as to the fact of such entitlement, (ii) that Ambac Assurance will remit to them all or a part of the interest payments next coming due upon proof of Holder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from Ambac Assurance, they must surrender their Series 2005 Bonds (along with an appropriate instrument of

assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 2005 Bonds to be registered in the name of Ambac Assurance) for payment to the Insurance Trustee, and not the Paying Agent and (iv) that should they be entitled to receive partial payment of principal from Ambac Assurance, they must surrender their Series 2005 Bonds for payment thereon first to the Paying Agent who shall note on such Series 2005 Bonds the portion of the principal paid by the Paying Agent and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) in the event that the Paying Agent has notice that any payment of principal of or interest on a Series 2005 Bond which has become Due for Payment and which is made to a Holder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Paying Agent shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Paying Agent shall furnish to Ambac Assurance its records evidencing the payments of principal of and interest on the Series 2005 Bonds which have been made by the Paying Agent and subsequently recovered from registered owners and the dates on which such payments were made.

(f) in addition to those rights granted Ambac Assurance under this Ordinance, Ambac Assurance shall, to the extent it makes payment of principal of or interest on Series 2005 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Paying Agent shall note Ambac Assurance's rights as subrogee on the registration books of the Issuer maintained by the Paying Agent upon receipt from Ambac Assurance of proof of the payment of interest thereon to the registered owners of the Series 2005 Bonds and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note Ambac Assurance's rights as subrogee on the registration books of the Issuer maintained by the Paying Agent upon surrender of the Series 2005 by the registered owners thereof together with proof of the payment of principal thereof.

A. Consent of Ambac Assurance.

Any provision of this Ordinance expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance. Ambac Assurance reserves the right to charge the Issuer a fee for any consent or amendment to the Ordinance while the Financial Guaranty Insurance Policy is outstanding.

B. Consent of Ambac Assurance in lieu of Holder Consent.

Unless otherwise provided in this Section, Ambac Assurance's consent shall be required in lieu of Holder consent, when required, for the following purposes: (i) execution and delivery of any supplemental Ordinance; (ii) removal of the Paying Agent and selection and appointment of any successor paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Holder consent.

C. Consent of Ambac Assurance in the Event of Insolvency

Any reorganization or liquidation plan with respect to the Issuer must be acceptable to Ambac Assurance. In the event of any reorganization or liquidation, Ambac Assurance shall have the right to vote on behalf of all Holders who hold Ambac Assurance-insured Series 2005 Bonds absent a default by Ambac Assurance under the applicable Financial Guaranty Insurance Policy insuring such Series 2005 Bonds.

D. Consent of Ambac Assurance Upon Default.

Anything in this Ordinance to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, Ambac Assurance shall be entitled to control and direct the enforcement of all rights and remedies granted to the Holders or the Paying Agent for the benefit of the Holders under this Ordinance.

E. Notices to be sent to the attention of the SURVEILLANCE DEPARTMENT:

1. While the Financial Guaranty Insurance Policy is in effect, the Issuer shall furnish to Ambac Assurance, upon request, the following :
 - (a) a copy of any financial statement, audit and/or annual report of the Issuer
 - (b) such additional information it may reasonably request.

Upon request, such information shall be delivered at the Issuer's expense to the attention of the Surveillance Department, unless otherwise indicated.

2. a copy of any notice to be given to the registered owners of the Series 2005 Bonds, including, without limitation, notice of any redemption of or defeasance of Series 2005 Bonds, and any certificate rendered pursuant to this Ordinance relating to the security for the Series 2005 Bonds.
3. To the extent that the Issuer has entered into a continuing disclosure agreement with respect to the Series 2005 Bonds, Ambac Assurance shall be included as party to be notified.

F. Notices to be sent to the attention of the GENERAL COUNSEL OFFICE:

1. The Issuer shall notify Ambac Assurance of any failure of the Issuer to provide relevant notices, certificates, etc.

2. Notwithstanding any other provision of this Ordinance, the Issuer shall immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

G. Other Information to be given to Ambac Assurance:

The Issuer will permit Ambac Assurance to discuss the affairs, finances and accounts of the Issuer or any information Ambac Assurance may reasonably request regarding the security for the Series 2005 Bonds with appropriate officers of the Issuer. The Issuer will permit Ambac Assurance to have access to the Project and have access to and to make copies of all books and records relating to the Series 2005 Bonds at any reasonable time.

Ambac Assurance shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from Ambac Assurance shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owner of the Series 2005 Bonds.

H. Paying Agent Provisions

1. The Paying Agent may be removed at any time, at the request of Ambac Assurance, for any breach of the trust set forth herein.

2. Ambac Assurance shall receive prior written notice of any Paying Agent resignation.

3. Every successor Paying Agent appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 and acceptable to Ambac Assurance. Any successor Paying Agent shall not be appointed unless Ambac approves such successor in writing.

4. Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Holders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, the Paying Agent shall consider the effect on the Holders as if there were no Financial Guaranty Insurance Policy.

5. Notwithstanding any other provision of this Ordinance, no removal, resignation or termination of the Paying Agent shall take effect until a successor, acceptable to Ambac, shall be appointed.

I. Interested Parties

1. Ambac As Third Party Beneficiary.

To the extent that this Ordinance confers upon or gives or grants to Ambac any right, remedy or claim under or by reason of this Ordinance, Ambac is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

2. Parties Interested Herein.

Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Issuer, Ambac Assurance, the Paying Agent, and the registered owners of the Series 2005 Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, Ambac Assurance, the Paying Agent, and the registered owners of the Series 2005 Bonds.

SECTION 16. SURETY BOND. A Surety Bond for the Series 2005 Bonds, together with other amounts or other credit instruments on deposit therein, equal to the Reserve Requirement is hereby authorized to be purchased from Ambac Assurance and payment for such Surety Bond is hereby authorized from Series 2005 Bond proceeds. In furtherance thereof, the Issuer is hereby authorized to enter into a Financial Guaranty Agreement for the Series 2005 Bonds (the "Guaranty Agreement") with Ambac Assurance and the Chairman is hereby authorized to execute and deliver and the Clerk is hereby authorized to attest such Guaranty Agreement in substantially the form attached hereto as Exhibit E with such changes, insertions and omissions as shall be made by the offices of the Issuer executing the same, with execution thereof being conclusive evidence of such approval.

As long as the Surety Bond shall be in full force and effect, the Issuer and Paying Agent, agree to comply with the following provisions:

- (a) In the event and to the extent that moneys on deposit in the Debt Service Fund, plus all amounts on deposit in and credited to the Reserve Fund in excess of the amount of the Surety Bond, are insufficient to pay the amount of principal and interest coming due, then upon the later of: (i) one (1) day after receipt by the General Counsel of Ambac of a demand for payment in the form attached to the Surety Bond as Attachment 1 (the "Demand for Payment"), duly executed by the Paying Agent

certifying that payment due under the Ordinance has not been made to the Paying Agent; or (ii) the payment date of the Series 2005 Bonds as specified in the Demand for Payment presented by the Paying Agent to the General Counsel of Ambac, Ambac will make a deposit of funds in an account with the Paying Agent or its successor, in New York, New York, sufficient for the payment to the Paying Agent, of amounts which are then due to the Paying Agent under the Ordinance (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage, as defined in the Surety Bond; provided, however, that in the event that the amount on deposit in, or credited to, the Reserve Fund, in addition to the amount available under the Surety Bond, includes amounts available under a letter of credit, insurance policy, Surety Bond or other such funding instrument (the "Additional Funding Instrument"), draws on the Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency.

- (b) the Paying Agent shall, after submitting to Ambac Assurance the Demand for Payment as provided in (a) above, make available to Ambac Assurance all records relating to the Funds and Accounts maintained under this Ordinance.
- (c) the Paying Agent shall, upon receipt of moneys received from the draw on the Surety Bond, as specified in the Demand for Payment, credit the Reserve Fund to the extent of moneys received pursuant to such Demand.
- (d) the Reserve Fund shall be replenished in the following priority: (i) principal and interest on the Surety Bond and on the Additional Funding Instrument shall be paid from first available Pledged Revenues on a pro rata basis; (ii) after all such amounts are paid in full, amounts necessary to fund the Reserve Fund to the required level, after taking into account the amounts available under the Surety Bond and the Additional Funding Instrument shall be deposited from next available Pledged Revenues.

Notices to be sent to the attention of the SURVEILLANCE DEPARTMENT:

- A. While the Surety Bond is in effect, the Issuer, as appropriate, shall furnish to Ambac Assurance, upon request, the following:
 - (a) a copy of any financial statement, audit and/or annual report of the Issuer; and
 - (b) such additional information it may reasonably request.

Upon request, such information shall be delivered at the Issuer's expense to the attention of the Surveillance Department, unless otherwise indicated.

- B. A copy of any notice to be given to the registered owners of the Series 2005 Bonds, including, without limitation, notice of any redemption of or defeasance of Series 2005 Bonds, and any certificate rendered pursuant to this Ordinance relating to the security of the Series 2005 Bonds.
- C. To the extent that the Issuer has entered into a continuing disclosure agreement with respect to the Series 2005 Bonds, Ambac Assurance shall be included as party to be notified.

Notices to be sent to the attention of the GENERAL COUNSEL OFFICE:

- A. The Issuer shall notify Ambac Assurance of any failure of the Issuer to provide relevant notices, certificates, etc.
- B. Notwithstanding any other provision of this Ordinance, the Paying Agent shall immediately notify Ambac Assurance if at any time there are insufficient moneys to make any payments of principal and interest as required and immediately upon the occurrence of (i) any event of default hereunder or (ii) any payment default under any related security agreement.

Other Information to be given to Ambac Assurance:

The Issuer will permit Ambac Assurance to discuss the affairs, finances and accounts of the Issuer or any information Ambac Assurance may reasonably request regarding the security for the Series 2005 Bonds with appropriate officers of the Issuer. The Issuer will permit Ambac Assurance to have access to the Project and have access to and to make copies of all books and records relating to the Series 2005 Bonds at any reasonable time.

Consent of Ambac Assurance.

Any provision of this Ordinance expressly recognizing or granting rights in or to Ambac Assurance may not be amended in any manner which affects the rights of Ambac Assurance hereunder without the prior written consent of Ambac Assurance. Ambac Assurance reserves the right to charge the Issuer a fee for any consent or amendment to the Ordinance while the Surety Bond is outstanding.

Consent of Ambac Assurance in lieu of Holder Consent.

Unless otherwise provided in this Section, Ambac Assurance's consent shall be required in lieu of Holder consent, when required, for the following purposes: (i) execution and delivery of any supplemental ordinance, (ii) removal of the Paying Agent or selection and appointment of any successor trustee or paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Holder consent.

SECTION 17. PRELIMINARY OFFICIAL STATEMENT. The Issuer hereby authorizes and directs a Preliminary Official Statement to be prepared, which shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference, with such changes, insertions and omissions as shall be approved by the Director of Management and Budget of the Issuer. Execution by the Director of Management and Budget shall be deemed to be conclusive evidence of approval of such changes. The Chairman or the Director of Management and Budget are hereby authorized to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") except for "permitted omissions," as defined in the Rule.

SECTION 18. CONTINUING DISCLOSURE. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Such Continuing Disclosure Certificate shall be in the form attached hereto as Exhibit B. Notwithstanding any other provision of this Ordinance, failure of the Issuer to comply with the Continuing Disclosure Certificate will not be considered an Event of Default; however any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section. Bondholders shall not be entitled to any damages for failure of the Issuer to comply with the terms of the Continuing Disclosure Certificate.

SECTION 19. APPOINTMENT OF PAYING AGENT AND REGISTRAR. Wachovia Bank, National Association, is hereby appointed as Paying Agent and Registrar for the Series 2005 Bonds. The Chairman and the Clerk are hereby authorized to enter into any agreements with such Paying Agent and Registrar, which may be necessary to reflect the obligation of such Paying Agent and Registrar to accept and perform the respective duties imposed upon each and to effectuate the transactions contemplated, by this Ordinance.

SECTION 20. APPOINTMENT OF ESCROW HOLDER. Wachovia Bank, National Association, is hereby appointed as Escrow Holder for the Refunded Bonds. Simultaneously with the delivery of the Series 2005 Bonds to the Underwriters, the Issuer shall enter into an Escrow Deposit Agreement in substantially the form attached hereto as Exhibit C. The Chairman and the Clerk are hereby authorized to enter into any agreements with such Escrow Holder, which may be necessary to reflect the obligation of such Escrow Holder to accept and perform the respective duties imposed upon each and to effectuate the transactions contemplated by this Ordinance.

SECTION 21. TRANSFER OF FUNDS. Moneys in the various funds and accounts created under the ordinances authorizing the Refunded Bonds shall be transferred as provided by a certificate to be executed by the Chairman.

SECTION 22. CALL OF REFUNDED BONDS. The Director of Management and Budget is hereby authorized to determine upon the advice of the Issuer's Financial Advisor, the exact series and maturities of Refunded Bonds to be refunded and to call the Refunded Bonds in accordance with the Plan of Refunding, as described in the Preliminary Official Statement. The paying agents for the Refunded Bonds are hereby authorized to provide written notice of such redemption to the registered owners of such Refunded Bonds and to any Bondholder whose name and address are on file with the paying agents for the Refunded Bonds. The Escrow Holder is hereby authorized and directed to publish the notice of defeasance, if required.

SECTION 23. DELEGATION OF AWARD OF SERIES 2005 BONDS. Subject to full satisfaction of the conditions set forth in this Section, the Board of County Commissioners of the Issuer hereby authorizes a delegated negotiated sale of the Series 2005 Bonds to the Underwriters in accordance with the terms of a Bond Purchase Agreement to be dated the date of sale and to be substantially in the form attached hereto as Exhibit D, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Chairman or the Director of Management and Budget in accordance with the provisions of this Section (including, without limitation, making the final determination concerning the structuring and marketing of the Series 2005 Bonds to obtain the most favorable rating and interest rate on the Series 2005 Bonds), and the execution and delivery of the Bond Purchase Agreement by the Chairman shall be deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in this Section.

Notwithstanding the foregoing, the Bond Purchase Agreement shall not be executed by the Chairman and the Clerk until such time as all of the following conditions have been satisfied:

1. Receipt by the Director of Management and Budget of a written offer to purchase the Series 2005 Bonds by the Underwriters substantially in the form of the Bond Purchase Agreement, said offer to provide for, among other things, (i) the issuance of not exceeding \$57,500,000 initial aggregate principal amount of Series 2005 Bonds, (ii) an underwriting discount (including management fee and all expenses) not in excess of .55% of the par amount, (iii) a true interest cost of not more than 5.5% per annum (iv) the maturities of the Series 2005 Bonds with the final maturity no later than October 1, 2025 and if refunding of any of the Refunded Bonds (v) present value savings of no less than 3.0% of the principal amount of such Refunded Bonds.

2. The Series 2005 Bonds shall be subject to such optional and mandatory redemption provisions as provided in the Bond Purchase Agreement.

3. Receipt by the Director of Management and Budget from the Underwriters of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes and substantially in the form attached to the Bond Purchase Agreement.

Upon satisfaction of the conditions set forth in this Section, the Chairman and Clerk are hereby authorized to execute and deliver the Series 2005 Bonds and any other documents, agreements or certificates relating to the Series 2005 Bonds, and are further authorized and directed to prepare and furnish to the purchasers of the Series 2005 Bonds, when the Series 2005 Bonds are issued, certified copies of all the proceedings and records of the Issuer relating to the Series 2005 Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Series 2005 Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the truth of all statements contained therein.

SECTION 24. REMEDIES. Any Holder of Bonds issued under the provisions hereof or any trustee acting for such Bondholders in the manner hereinafter provided, may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights including the appointment of a receiver, existing under State or federal law, or granted and contained in this Ordinance, and may enforce and compel the performance of all duties required by this Ordinance or by any applicable statutes to be performed by the Issuer or by any agency, board or officer thereof.

Nothing herein, however, shall be construed to grant to any holder of the Bonds any lien on any property of the Issuer except the Pledged Revenues.

SECTION 25. MODIFICATION OR AMENDMENT. No material modification or amendment of this Ordinance or of any resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the Holders of two-thirds (2/3) or more in the principal amount of the Bonds then outstanding. As long as a municipal bond insurance policy remains in full force and effect, consent by the Bond Insurer shall constitute the required consent of the Holders. Provided, however, that no modification or amendment shall permit a change in the maturity of any series of Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the Issuer to pay the principal of and interest on any series of Bonds as the same shall become due or reduce the percentage of the Holders of any series of Bonds required to consent to any material modification or amendment hereof without the consent of the Holder or Holders of all Bonds and the consent of the Bond Insurer to the foregoing actions shall constitute consent of the Holders.

Notwithstanding the foregoing, this Ordinance may be amended, changed, modified and altered without the consent of the Holders of the Bonds, (i) to cure any ambiguity, correct or supplement any provision contained herein which may be defective or inconsistent with any other provision contained herein, (ii) to provide other changes which will provide additional security to the Holders of any series of Bonds, or (iii) to maintain the exclusion of interest on any series of Bonds from gross income for Federal income tax purposes.

SECTION 25. HOLDERS NOT AFFECTED BY USE OF PROCEEDS. The Holders of the Series 2005 Bonds shall have no responsibility for the use of the proceeds thereof, and the use of such proceeds by the Issuer shall in no way affect the rights of such Holders. The Issuer shall be irrevocably obligated to continue to remain eligible to receive the Pledged Revenues as provided herein and to pay the principal of and interest on the Bonds and to make all reserve and other payments provided for herein from the Pledged Revenues notwithstanding any failure of the Issuer to use and apply such proceeds in the manner provided herein and in Original Ordinance.

SECTION 26. DEFEASANCE. The covenants and obligations of the Issuer shall be defeased and discharged under terms of this Ordinance as follows:

(A) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 2005 Bonds the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated herein, then the pledge of the Pledged Revenues and all covenants, agreements and other obligations of the Issuer to the Holders of any Series 2005 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Bonds the principal of, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated herein, such Series 2005 Bonds shall cease to be entitled to any lien, benefit or security under this Ordinance, and all covenants, agreements and obligations of the Issuer to the Holders of such Series 2005 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(B) The Series 2005 Bonds, principal of, redemption premium if any, and interest due or to become due for the payment or redemption of which moneys shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section 27. Any Series 2005 Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section if (i) in case any of said Series 2005 Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the escrow agent instructions accepted in writing by the escrow agent to notify Holders of Series 2005 Bonds in the manner required herein of the redemption of such Series 2005 Bonds on said date and (ii) there shall have been deposited with the escrow agent either moneys in an amount which shall be sufficient, or acquired obligations (as determined by the Bond Insurer) (including any acquired obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of, redemption premium, if any, and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the escrow agent at the same time, shall be sufficient, to pay when due the principal of and premium, if any, and interest due and to become due on said Series 2005 Bonds on or prior to the redemption date or maturity date thereof, as the case may be.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Series 2005 Bonds shall be paid by Ambac Assurance Corporation pursuant to the Financial Guaranty Insurance Policy, the Series 2005 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the Pledged Revenues and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of Ambac Assurance, and Ambac Assurance shall be subrogated to the rights of such registered owners.

SECTION 27. TAX COVENANT. No use will be made of the proceeds of the Series 2005 Bonds which, if such use were reasonably expected on the date of issuance of the Series 2005 Bonds, would cause the same to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended. The Issuer at all times while the Series 2005 Bonds and the interest thereon are outstanding will comply with the requirements of the Internal Revenue Code of 1986, as amended, and any valid and applicable rules and regulations promulgated thereunder necessary to maintain the exclusion of the interest on the Series 2005 Bonds from federal gross income including the creation of any rebate funds or other funds and/or accounts required in that regard.

The Issuer shall at all times do and perform all acts and things permitted by law and this Ordinance which are necessary or desirable in order to assure that interest paid on the Series 2005 Bonds will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes.

In order to insure compliance with the rebate provisions of Section 148(f) of the Code with respect to the Series 2005 Bonds the Issuer hereby creates the Rebate Fund (the "Rebate Fund") to be held by the Issuer. The Rebate Fund need not be maintained if the Issuer shall have received an opinion of Bond Counsel to the effect that failure to create the Rebate Fund shall not adversely affect the exclusion of interest on such Series 2005 Bonds from gross income for purposes of Federal income taxation. Moneys in the Rebate Fund shall not be considered Pledged Revenues and shall not be pledged in any manner for the benefit of the holders of the Series 2005 Bonds. Moneys in the Rebate Fund (including earnings and deposits therein) shall (i) be held for future payment to the United States Government as required by the United States Treasury Regulations and as set forth in instructions of Bond Counsel delivered to the Issuer upon issuance of the Series 2005 Bonds or (ii) be returned to the Issuer if not required for the purposes set forth in (i).

SECTION 28. CONFLICTS. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict, except to the extent of any conflicts with the Tallahassee-Leon County 2010 Comprehensive Plan, as

amended, which provisions shall prevail over any parts of this Ordinance which are inconsistent, either in whole or in part, with the said Comprehensive Plan.

SECTION 29. AMENDMENTS. The Issuer desires to amend the ordinances authorizing the Parity Bonds to provide additional security for each Parity Bond. The Issuer hereby amends the ordinances as stated below.

A. Section 2. DEFINITIONS of Ordinance No. 98-02 enacted by the Issuer on March 31, 1998 is hereby amended as follows:

"Additional State Revenue Sharing Funds" shall mean 50% of the funds received in the prior year by the Issuer from the Revenue Sharing Trust Fund for Counties minus the Guaranteed Entitlement and the Second Guaranteed Entitlement.

"Pledged Revenues" shall mean collectively, the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues, the Second Guaranteed Entitlement and the Additional State Revenue Sharing funds, all as defined herein.

B. Section 2. DEFINITIONS of Ordinance No. 99-14 enacted by the Issuer on May 11, 1999 is hereby amended as follows:

"Additional State Revenue Sharing Funds" shall mean 50% of the funds received in the prior year by the Issuer from the Revenue Sharing Trust Fund for Counties minus the Guaranteed Entitlement and the Second Guaranteed Entitlement.

"Pledged Revenues" shall mean collectively, the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues, the Second Guaranteed Entitlement and the Additional State Revenue Sharing funds, all as defined herein.

C. Section 2. DEFINITIONS of Ordinance No. 03-12 enacted by the Issuer on April 29, 2003 is hereby amended as follows:

"Additional State Revenue Sharing Funds" shall mean 50% of the funds received in the prior year by the Issuer from the Revenue Sharing Trust Fund for Counties minus the Guaranteed Entitlement and the Second Guaranteed Entitlement.

"Pledged Revenues" shall mean collectively, the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues, the Second Guaranteed Entitlement and the Additional State Revenue Sharing funds, all as defined herein.

Each amendment shall be effective upon the written consent of the bond insurer insuring such particular series of Parity Bonds.

SECTION 30. SEVERABILITY. If any word, phrase, clause, section, or portion of this Ordinance shall be held invalid or unconstitutional by a court of competent jurisdiction, such portion or words shall be deemed a separate and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 31. EFFECTIVE DATE. This Ordinance shall have effect upon becoming law.

DULY PASSED AND ADOPTED by the Board of County Commissioners of Leon County, Florida on this _____ day of _____, 2005.

BOARD OF COUNTY COMMISSIONERS OF
LEON COUNTY, FLORIDA

By: _____
CLIFF THAELL, CHAIRMAN
BOARD OF COUNTY COMMISSIONERS

ATTESTED BY:

BOB INZER, CLERK OF THE COURT

By: _____

APPROVED AS TO FORM:

COUNTY ATTORNEY'S OFFICE
LEON COUNTY, FLORIDA

BY: _____
HERBERT W.A. THIELE, ESQ.
COUNTY ATTORNEY

EXHIBIT A

FORM OF PRELIMINARY OFFICIAL STATEMENT

**NEW ISSUE
BOOK-ENTRY-ONLY**

Ratings:

Moody's "____" (Insured)
S&P: "____" (Insured) / "____" (Underlying)
Fitch: "____" (Insured) / "____" (Underlying)
(AMBAC INSURED) (See "RATINGS" herein)

In the opinion of Bond Counsel, assuming compliance with certain covenants in the Ordinance (as hereinafter defined), interest on the Series 2005 Bonds is excluded from gross income for purposes of federal income taxation and the Series 2005 Bonds are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220. See, however "Tax Treatment" herein for a description of certain federal minimum and other special taxes that may affect the tax treatment of interest on the Series 2005 Bonds.

\$ _____
*
LEON COUNTY, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS,
SERIES 2005

Dated: Date of Delivery**Due: October 1, as shown below**

The Leon County, Florida Capital Improvement Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds") will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as a securities depository for the Series 2005 Bonds. Purchases of beneficial ownership interests in the Series 2005 Bonds will be made in book-entry only form, in denominations of \$5,000 or any integral multiple of \$5,000. Since purchases of beneficial interests in the Series 2005 Bonds will be made in book-entry-only form, purchasers will not receive physical delivery of bond certificates. See "BOOK-ENTRY SYSTEM."

Interest on the Series 2005 Bonds will be payable on April 1 and October 1 of each year until maturity or earlier redemption, commencing on October 1, 2005. Principal of and interest on the Series 2005 Bonds will be paid by the Paying Agent (as defined herein) to DTC or its nominee, and then by DTC through DTC Participants (as defined herein) to the beneficial owners thereof. Wachovia Bank, National Association, Jacksonville, Florida will serve as Registrar (as defined herein) and Paying Agent for the Series 2005 Bonds. The Series 2005 Bonds are subject to optional redemption as described herein under the caption "DESCRIPTION OF THE SERIES 2005 BONDS—Redemption."

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE ISSUE. INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT, INCLUDING APPENDICES, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

Leon County, Florida (the "County") is issuing the Series 2005 Bonds to provide funds, together with other available funds of the County, to provide sufficient money (i) to finance a portion of the cost of the Series 2005 Project (as defined herein) (ii) to refund all or a portion of the County's Capital Improvement Revenue Bonds, Series 1997 maturing in the years _____ through _____, inclusive (the "Refunded 1997 Bonds") (iii) to refund all or a portion of the County's Capital Improvement Revenue Bonds, Series 1998A maturing in the years _____ through _____, inclusive (the "Refunded 1998A Bonds"), (iv) to refund all or a portion of the County's Capital Improvement Revenue Bonds, Series 1999 maturing in the years _____ through _____ (the "Refunded 1999 Bonds") and together with Refunded 1997 Bonds and the Refunded 1998A Bonds, the "Refunded Bonds"), (viii) pay capitalized interest on the Series 2005 Bonds, and (ix) pay the costs of issuance of the Series 2005 Bonds, including the premiums in respect of the municipal bond insurance securing the Series 2005 Bonds and the surety bond to be deposited into the Reserve Fund (as defined herein).

The principal of and interest on the Series 2005 Bonds is payable solely from and secured by a lien upon and pledge of the Pledged Revenues, as defined in Ordinance No. 05-____ enacted by the Board of County Commissioners of the County on March 22, 2005, as amended and supplemented (the "Ordinance"). The Pledged Revenues consist of the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement revenues, the Second Guaranteed Entitlement revenues and the Additional State Revenue Sharing Funds, each as defined herein. The lien on and pledge of the Pledged Revenues granted to the Holders of the Series 2005 Bonds is (i) on a parity with the lien on and pledge of the Pledged Revenues granted to the holders of the County's Capital Improvement Revenue Bonds, Series 2003A, Capital Improvement Revenue Bonds, Series 2003B, Capital Improvement Revenue Bonds, Series 1998A, that are not being refunded with the proceeds of the Series 2005 Bonds, Capital Improvement Revenue Bonds, Series 1998B, Capital Improvement Revenue Bonds, Series 1999, that are not being refunded with the proceeds of the Series 2005 Bonds and any Additional Parity Obligations (as defined herein) hereafter issued under the Ordinance, and (ii) junior and subordinate in all respects to the lien on and pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement revenues granted to the holders of the County's Refunding Revenue Bonds, Series 1993, and Capital Improvement Revenue Bonds, Series 1997 that are not being refunded with the proceeds of the Series 2005 Bonds.

THE SERIES 2005 BONDS ARE LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY OUT OF THE PLEDGED REVENUES AS PROVIDED IN THE ORDINANCE. NEITHER THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2005 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF, PREMIUM IF ANY, OR INTEREST ON THE SERIES 2005 BONDS. THE SERIES 2005 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE COUNTY, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

The payment of principal of and interest on the Series 2005 Bonds when due will be insured by a municipal bond insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Series 2005 Bonds.

[AMBAC LOGO]

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND INITIAL CUSIP NOS.

Maturity Date (October 1)	Principal Amount	Interest Rate	Price or Yield	Initial CUSIP #	Maturity Date (October 1)	Principal Amount	Interest Rate	Price or Yield	Initial CUSIP #
2006					2016				
2007					2017				
2008					2018				
2009					2019				
2010					2020				
2011					2021				
2012					2022				
2013					2023				
2014					2024				
2015					2025				

The Series 2005 Bonds are offered when, as and if issued by the County and accepted by the Underwriters, subject to the approval of legality by Bryant Miller & Olive P.A., Tallahassee, Florida. Certain legal matters will be passed upon for the County by Herbert W.A. Thiele, Esq., County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Holland & Knight LLP, Tallahassee, Florida. Certain legal matters will be passed upon for the Underwriters by their counsel, Nabors, Giblin & Nickerson, P.A., Tallahassee, Florida. It is expected that the Series 2005 Bonds will be available for delivery through The Depository Trust Company in New York, New York on or about _____, 2005.

A.G. EDWARDS & SONS, INC
JACKSON SECURITIES, INC.

CITIGROUP GLOBAL MARKETS INC.
UBS FINANCIAL SERVICES INC.

Dated: _____, 2005

*Preliminary, subject to change

C 50

RED HERRING LANGUAGE

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2005 Bonds in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction. The County has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

BOARD OF COUNTY COMMISSIONERS

Cliff Thaell, Chairman
Bill Proctor, Vice Chairman
Ed DePuy
Tony Grippa
Bob Rackleff
Jane G. Sauls
Dan Winchester

COUNTY ADMINISTRATOR

Parwez Alam

CLERK OF CIRCUIT COURT

Bob Inzer

FINANCE DIRECTOR

Bill Bogan, Jr.

MANAGEMENT AND BUDGET DIRECTOR

Alan Rosenzweig

COUNTY ATTORNEY

Herbert W. A. Thiele, Esquire

BOND COUNSEL

Bryant Miller & Olive P.A.
Tallahassee, Florida

DISCLOSURE COUNSEL

Holland & Knight LLP
Tallahassee, Florida

FINANCIAL ADVISOR

Public Financial Management, Inc.
Orlando, Florida

REGISTRAR/PAYING AGENT

Wachovia Bank, National Association
Jacksonville, Florida

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations in connection with the Series 2005 Bonds other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2005 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not as representations of fact, and the County expressly makes no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2005 BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2005 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2005 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

THE SERIES 2005 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE ORDINANCE OR PARITY ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2005 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2005 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2005 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE COUNTY OR THE UNDERWRITERS AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2005 BONDS.

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OFFICIAL STATEMENT

§ _____
LEON COUNTY, FLORIDA
CAPITAL IMPROVEMENT REVENUE REFUNDING BONDS,
SERIES 2005

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices, is to provide information concerning the proposed issuance and sale by Leon County, Florida (the "County"), of its Capital Improvement Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds").

The Series 2005 Bonds are being issued under the authority of Chapter 125, Florida Statutes, as amended, Ordinance No. 98-02, as amended and supplemented, enacted by the Board of County Commissioners of the County (the "Board") on March 31, 1998 as amended and supplemented by Ordinance No. 98-05 of the County enacted by the Board on May __, 1998 (collectively, the "Parity Ordinance"), as amended and supplemented by Ordinance No. 05-__ of the County, enacted by the Board on March 22, 2005 (the "Ordinance") pursuant to which the County authorized the issuance of the Series 2005 Bonds in an aggregate principal amount not to exceed \$57,500,000, and other applicable provisions of law. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Ordinance.

The Series 2005 Bonds are being issued to provide funds, together with other available funds of the County, will be used to provide sufficient moneys to (i) to finance a portion of the cost of the Series 2005 Project (as defined herein) (ii) to refund all or a portion of the County's \$7,255,000 Capital Improvement Revenue Bonds, Series 1997 maturing in the years ____ through ____, inclusive, currently outstanding in the aggregate principal amount of \$5,290,000 (the "Refunded 1997 Bonds") (iii) to refund all or a portion of the County's \$9,710,000 Capital Improvement Revenue Bonds, Series 1998A maturing in the years ____ through ____, inclusive, currently outstanding in the aggregate principal amount of \$9,710,000 (the "Refunded 1998A Bonds"), (iv) to refund all or a portion of the County's \$29,900,000 Capital Improvement Revenue Bonds, Series 1999, currently outstanding in the aggregate principal amount of \$28,695,000 (the "Refunded 1999 Bonds" and together with Refunded 1997 Bonds and the Refunded 1998A Bonds, the "Refunded Bonds"), (v) pay capitalized interest on the Series 2005 Bonds, and (vi) pay the costs of issuance of the Series 2005 Bonds, including the premiums in respect of the municipal bond insurance securing the Series 2005 Bonds and the surety bond to be deposited into the Reserve Fund (as defined herein). The Series 2005 Project includes the (i) completion of renovations of county courthouse, (ii) construction, acquisition and/or renovation of a facility to house the Issuer's growth, environmental management and inspection functions and/or other Issuer operations; (iii) construction and/or land acquisition for a branch library, and (iv) any other capital project authorized by law (the "Series 2005 Project"). See the "THE SERIES 2005 PROJECT" herein.

* Preliminary, subject to change.

The principal of, premium, if any, and interest on the Series 2005 Bonds is payable solely from and secured by a lien upon and pledge of the Pledged Revenues. The Pledged Revenues consist of the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement, the Second Guaranteed Entitlement and the Additional State Revenue Sharing Funds, each as more fully described herein. The Ordinance amended the ordinances authorizing the Parity Bonds to include in the Pledged Revenues the Additional State Revenue Sharing Funds. The lien on and pledge of the Pledged Revenues granted to the Holders of the Series 2005 Bonds is (i) on a parity with the lien on and pledge of the Pledged Revenues granted to the holders of the County's Capital Improvement Revenue Bonds, Series 2003A, Capital Improvement Revenue Bonds, Series 2003B, Capital Improvement Revenue Bonds, Series 1998A, that are not being refunded with the proceeds of the Series 2005 Bonds, Capital Improvement Revenue Bonds, Series 1998B, Capital Improvement Revenue Bonds, Series 1999, that are not being refunded with the proceeds of the Series 2005 Bonds and any Additional Parity Obligations (as defined herein) hereafter issued under the Ordinance (the "Parity Bonds"), and (ii) junior and subordinate in all respects to the lien on and pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement revenues granted to the holders of the County's Refunding Revenue Bonds, Series 1993, and Capital Improvement Revenue Bonds, Series 1997 that are not being refunded with the proceeds of the Series 2005 Bonds (collectively, the "Senior Bonds").

The Parity Bonds were issued pursuant to the Parity Ordinance. The Parity Bonds, the Series 2005 Bonds and any Additional Parity Obligations are collectively referred to herein as the "Bonds." The Senior Bonds were issued pursuant to Ordinance No. 84-50, as amended and supplemented, enacted by the Board on October 18, 1984 (the "Senior Ordinance").

For a complete description of the terms of the Series 2005 Bonds, reference is made to the Parity Ordinance and the Ordinance, the forms of which appear as Appendix C to this Official Statement. The description of the Parity Ordinance, the Ordinance and documents authorized and securing the Series 2005 Bonds and the information from reports contained herein do not purport to be comprehensive or definitive. All references herein to such documents and reports not reproduced in this Official Statement and further information which may be desired may be obtained from the Finance Director of the County, Post Office Box 726, Tallahassee, Florida 32302.

LEON COUNTY, FLORIDA

Leon County is a political subdivision of the State of Florida and was created by the Territorial Legislature on December 29, 1824. It is located in the midst of seven hills within a 671 square mile area, which includes the State Capitol and the County Seat, Tallahassee. It is governed by and derives its operating authority from the constitution and laws of the State of Florida. During the November 2002 elections, the voters of the County approved a referendum adopting a charter for the County. The charter affords the same powers to its officials as prescribed in the Florida constitution.

The County operates under a commission/administrator form of government, with a governing board consisting of seven County commissioners. The County is divided into five geographical districts, with five of the seven commissioners elected from one of each of these separate districts. Two commissioners are elected at large. In addition to the Board, there are

five elected constitutional officers performing specifically designed governmental functions: Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector.

Although during August and September 2004 the State of Florida was affected by four hurricanes, Leon County did not suffer any material damage as a result.

SERIES 2005 PROJECT

The Series 2005 Project includes the renovation of the existing County courthouse. As part of the County's long-term space planning, a number of existing offices will be relocated to office space in other County owned facilities. The existing courthouse space is being reconfigured to accommodate more efficient uses and is also being converted to additional courtrooms. The project also includes the acquisition, construction and/or renovation of office space to replace the County's growth, environmental management and inspection functions and/or other County operations. The County has determined that the existing facility is not appropriate for renovation and that a new or renovated facility will better accommodate the requirements of these County functions. The project also includes funding for the design, acquisition and construction of a branch library to replace a branch library in the southeastern portion of the County. The project may include other capital improvements in addition to the foregoing.

REFUNDING PLAN

Upon the delivery of the Series 2005 Bonds, the County will enter into an Escrow Deposit Agreement (the "Escrow Agreement") with Wachovia Bank, National Association (in such capacity, the "Escrow Agent") pertaining to the Series 2005 Bonds.

The Escrow Agreement creates a separate Escrow Deposit Trust Fund (the "Escrow Fund") which is held in trust by the Escrow Agent, and the money and securities held therein are irrevocably pledged to the payment of the principal of, redemption premiums, if any, and interest on the Refunded Bonds as the same become due or are called for redemption. Immediately upon the issuance and delivery of the Series 2005 Bonds, the County will deposit certain proceeds from the sale of the Series 2005 Bonds and certain other available funds in the Escrow Fund. Moneys in the Escrow Fund, other than amounts held uninvested as an initial cash balance, will be invested in securities as permitted in the Escrow Agreement maturing in such amounts and bearing interest at rates sufficient, together with cash held uninvested in the Escrow Fund, to pay the principal of, redemption premiums, if any, and interest on the Refunded Bonds as the same become due and are called for redemption.

Upon delivery of the Series 2005 Bonds, _____ (the "Verification Agent") will verify the accuracy of the arithmetical computations of the sufficiency of the maturing principal amount of, and interest on, the securities held in the Escrow Fund, together with the cash balances held therein, to pay the principal of and redemption premiums, if any, and interest on the Refunded Bonds. See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein. Upon the issuance of the Series 2005 Bonds and the deposit of moneys in the Escrow Fund as described above, in the opinion of Bond Counsel in reliance upon,

among other things, the report of the Verification Agent, the pledge of and lien on the Pledged Revenues, and the covenants of the County in the Ordinance, in favor of the owners of the Refunded Bonds shall terminate and no longer be in effect.

The moneys and Escrow Securities held under the Escrow Agreement and the earnings thereon will be used only to pay the Refunded Bonds and will not be available for payment of debt service on the Series 2005 Bonds.

DESCRIPTION OF THE SERIES 2005 BONDS

General

The Series 2005 Bonds are being issued in fully registered form in the denomination of \$5,000 or any integral multiples thereof. The Series 2005 Bonds will be dated their date of delivery and shall bear interest from that date. The Series 2005 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form through DTC Participants, all as defined and described under the caption "BOOK-ENTRY SYSTEM." Interest on the Series 2005 Bonds is payable on October 1, 2005, and on each April 1 and October 1 thereafter until maturity or earlier redemption.

So long as the Series 2005 Bonds remain in book-entry form, payment of principal of and interest on the Series 2005 Bonds will be mailed or delivered by check or draft of Wachovia Bank, National Association, Jacksonville, Florida, as Registrar and Paying Agent, to Cede & Co., as registered owner of the Series 2005 Bonds, and will be redistributed to Beneficial Owners by DTC through DTC Participants. See "BOOK-ENTRY SYSTEM" herein.

So long as the Series 2005 Bonds remain in book-entry form, transfers of beneficial ownership interests in the Series 2005 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in the Series 2005 Bonds, except in the event that use of the book-entry system for the Series 2005 Bonds is discontinued. See "BOOK-ENTRY SYSTEM" herein.

Redemption

Optional Redemption.

The Series 2005 Bonds maturing in the years ____ to ____, both inclusive, shall not be subject to redemption at the option of the County prior to their stated maturities. The Series 2005 Bonds maturing on October 1, 20__ through and including October 1, 20__, both inclusive, may be redeemed prior to their stated dates of maturity, at the option of the County, from any moneys legally available therefor, in whole or in part at any time, on or after October 1, 20__, and if in part, in such maturities as the County, in its discretion, shall select and by lot within a maturity if less than a full maturity, at par, plus accrued interest to the date of redemption, but without premium.

Notice of Redemption. The Registrar is required to give notice of redemption by mailing, with postage prepaid, a copy of the redemption notice not less than 30 days prior to the date fixed for redemption to the Owner of each Series 2005 Bond to be redeemed in whole or in part at the last address shown on the registration books kept by the Registrar at the close of business on the last business day of the month preceding the month for which notice is mailed. See "BOOK-ENTRY SYSTEM" herein for DTC's practices regarding redemption as long as the Series 2005 Bonds remain in book-entry form.

Failure to mail such notice of redemption shall not affect the validity of any proceedings for the redemption of the Series 2005 Bonds with respect to Holders of Series 2005 Bonds to which notice was duly mailed.

Notice having been mailed to the Holders of Series 2005 Bonds in the manner and under the conditions provided in the Ordinance, the Series 2005 Bonds or portion of the Series 2005 Bonds so called for redemption will, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2005 Bonds or portions of the Series 2005 Bonds so called for redemption on such date. On the date so designated for redemption, notice having been mailed and filed and moneys for payment of the redemption price being held in separate accounts in trust for the Holders of the Series 2005 Bonds or portions thereof to be redeemed, all as provided in the Ordinance, interest on the Series 2005 Bonds or portions of the Series 2005 Bonds so called for redemption will cease to accrue, such Series 2005 Bonds and portions of the Series 2005 Bonds so called for redemption will cease to be entitled to any lien, benefit, or security under the Ordinance, and the Holders of such Series 2005 Bonds or portions of the Series 2005 Bonds so called for redemption will have no rights in respect thereof except to receive payment of the redemption price thereof.

BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2005 Bonds. The Series 2005 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Series 2005 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2005 BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2005 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2005 BONDS.

THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORDKEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2005 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2005 BONDS TO DTC PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2005 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2005 BONDS, AND OTHER

RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DTC PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2005 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE COUNTY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants" and together with the Direct Participants, the "DTC Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of beneficial interests in Series 2005 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2005 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2005 Bonds will be accomplished by entries on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2005 Bonds, except in the event that use of the book-entry system for the Series 2005 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2005 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2005

Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2005 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2005 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2005 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2005 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of premium, if any, and interest payments on the Series 2005 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar and Paying Agent or the County, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2005 Bonds at any time by giving reasonable notice to the County or the Registrar and Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered. Upon compliance with any agreements between the County and DTC, the County may discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event bond certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Registration and Transfer

As long as the DTC book-entry only system is in effect, transfers of beneficial ownership interests in the Series 2005 Bonds will be made in accordance with DTC's procedures (see "Book-Entry-Only System" above). If the DTC book-entry only system is terminated, the Series 2005 Bonds may be exchanged or transferred in accordance with the Ordinance. See "APPENDIX C – THE PARITY ORDINANCE AND ORDINANCE." For each such transfer of Series 2005 Bonds, the County or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The County and the Registrar shall not be obligated to make any such exchange or transfer of Series 2005 Bonds during the fifteen (15) days next preceding an interest payment date on the Series 2005 Bonds, or, in the case of any proposed redemption, in the case of the Series 2005 Bonds to be redeemed, during the fifteen (15) days next preceding the date of first mailing of notice of such redemption and continuing until such redemption date.

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SOURCES AND USES OF FUNDS

The proceeds expected to be received from the sale of the Series 2005 Bonds and other available moneys and their expected application are as follows:

Sources:

Par Amount of Series 2005 Bonds	\$ _____
Other Legally Available Funds ⁽¹⁾	_____
[Less: Original Issue Discount]	_____
[Plus: Original Issue Premium]	_____
 Total Sources	 \$ <u> </u>

Uses:

Deposit to Series 2005 Construction Fund	\$ _____
Deposit to Escrow Account	\$ _____
Capitalized Interest	_____
Underwriters Discount	_____
Cost of Issuance ⁽²⁾	_____
 Total Uses	 \$ <u> </u>

⁽¹⁾ [Derived from]

⁽²⁾ Includes insurance premium, premium for Reserve Fund Surety Bond, verification agent, escrow agent fees and expenses, rating agencies' fees, and any other costs associated with the issuance of the Series 2005 Bonds.

SECURITY FOR THE SERIES 2005 BONDS

General

The Ordinance provides that the Series 2005 Bonds shall for all purposes (except as expressly provided in the Ordinance) be considered to be Additional Parity Obligations issued under the authority of the Parity Ordinance and shall be entitled to all the protection and security provided therein for the Parity Bonds and shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Bonds. See "APPENDIX C – THE PARITY ORDINANCE AND ORDINANCE."

Sources of Payment

Payment of the principal of and interest on the Series 2005 Bonds is secured equally and ratably by an irrevocable lien on the Pledged Revenues. The term "Pledged Revenues" is defined in the Ordinance to mean (i) certain sales tax revenues received by the County pursuant to Chapter 218, Part VI, Florida Statutes (the "Local Government Half-Cent Sales Tax"); (ii) the guaranteed entitlement revenues received by the County pursuant to Chapter 218, Part II, Florida Statutes, and defined therein as the "Guaranteed Entitlement" (the "Guaranteed Entitlement"); (iii) the second guaranteed entitlement revenues received by the County pursuant to Chapter 218,

Part II, Florida Statutes and defined therein as the "Second Guaranteed Entitlement for Counties" (the "Second Guaranteed Entitlement"); and (iv) 50% of the funds received by the County pursuant to Section 218.25(4), Florida Statutes minus the Guaranteed Entitlement and the Second Guaranteed Entitlement (the "Additional State Revenue Sharing Funds").

The lien on and pledge of the Pledged Revenues granted to the Holders of the Series 2005 Bonds is on a parity with the lien on and pledge of such Pledged Revenues granted to the holders of the Parity Bonds and any Additional Parity Obligations hereafter issued under the Ordinance, and the lien on and pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement revenues included in such Pledged Revenues is junior and subordinate to the lien on and pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement revenues granted to the holders of the Senior Bonds. See "SECURITY FOR THE SERIES 2005 BONDS-Covenant of Use of Certain Pledged Revenues for Senior Bonds" below. In addition to a first lien on and pledge of the Local Government Half Cent Sales Tax and Guaranteed Entitlement revenues, the Senior Bonds are also secured by a first lien on and pledge of the Ancillary Revenues which are comprised of (i) Federal Revenue Sharing, (ii) Race Track Funds, (iii) County Officers Excess Fees, (iv) License Revenue from the State, (v) Forestry Receipts, Sheriffs Fees and (vi) County Clerk's Fees (each as defined herein). See "ANCILLARY REVENUES PLEDGED TO SENIOR BONDS" herein.

THE SERIES 2005 BONDS ARE LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY OUT OF THE PLEDGED REVENUES AS PROVIDED IN THE ORDINANCE. NEITHER THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2005 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2005 BONDS. THE SERIES 2005 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE COUNTY, THE STATE OF FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

Covenant to Collect Pledged Revenues

The County has covenanted in the Ordinance to diligently perform legally and effectively all steps required on its part to collect and receive the Pledged Revenues. The County has covenanted in the Ordinance that the pledge of the Pledged Revenues shall not be subject to repeal or impairment by any subsequent ordinance, resolution, or proceeding of the County.

The County has also covenanted in the Ordinance that it has the full power to irrevocably pledge such Pledged Revenues to the payment of the principal of and interest on the Series 2005 Bonds.

Covenant to Not Issue Senior Debt

The County has covenanted in the Ordinance not to issue any further debt pursuant to the Senior Ordinance, whose lien is equal and ratable with the Senior Bonds and whose lien has priority over the Bonds.

Covenant of Use of Certain Pledged Revenues for Senior Bonds

The Senior Bonds are secured by a pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement revenues that comprise a portion of the Pledged Revenues pledged to the Series 2005 Bonds, as well as the Ancillary Revenues. The Second Guaranteed Entitlement revenues and the Additional State Revenue Sharing Funds are not pledged to the Senior Bonds.

The Ordinance provides that the Pledged Revenues will be deposited into the Revenue Fund created under the Prior Ordinance for the benefit of the Bonds after all payments required by the Senior Ordinance in connection with the Senior Bonds are made. See "SECURITY FOR THE SERIES 2005 BONDS--Flow of Funds" below.

The County has covenanted in the Ordinance, that, for so long as any of the Senior Bonds are Outstanding, it will first apply the Ancillary Revenues pledged to the Senior Bonds pursuant to the Senior Ordinance (less the Guaranteed Entitlement revenues and the Local Government Half-Cent Sales Tax revenues) to the payment of the Senior Bonds, next apply the Guaranteed Entitlement revenues and the Local Government Half-Cent Sales Tax to the payment of the Senior Bonds and finally apply the Guaranteed Entitlement revenues and the Local Government Half-Cent Sales Tax (together with the Second Guaranteed Entitlement revenues and the Additional State Revenue Sharing Funds) to the payment of the Bonds.

ACCORDINGLY, SO LONG AS THE SENIOR BONDS REMAIN OUTSTANDING UNDER THE SENIOR ORDINANCE, THE LOCAL GOVERNMENT HALF-CENT SALES TAX AND GUARANTEED ENTITLEMENT REVENUES WILL BE SUBJECT TO THE LIEN OF THE ORDINANCE ONLY TO THE EXTENT THE SAME BECOME AVAILABLE FOR THAT PURPOSE AFTER MAKING PAYMENTS REQUIRED PURSUANT TO THE SENIOR ORDINANCE.

Amendment to Ordinance

No material modification or amendment of the Ordinance or of any resolution amendatory thereof or supplemental thereto may be made without the consent in writing of the holders of two-thirds or more in the principal amount of the Bonds then outstanding. As long as a municipal bond insurance policy remains in full force and effect, consent by the Bond Insurer will constitute the required consent of the holders of the Bonds. Provided, however, that no modification or amendment will permit a change in the maturity of any series of Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the County to pay the principal of and interest on any series of Bonds as the same become due or reduce the percentage of the holders of any series of Bonds required to consent to any material modification or amendment of the Ordinance without the consent of the

holder or holders of all Bonds and the consent of the Bond Insurer to the foregoing will constitute consent of the holders.

Notwithstanding the foregoing, the Ordinance may be amended, changed, modified and altered without the consent of the holders of the Bonds, (i) to cure any ambiguity, correct or supplement any provision contained in the Ordinance which may be defective or inconsistent with any other provision contained therein, (ii) to provide other changes which will provide additional security to the holders of any series of Bonds, or (iii) to maintain the exclusion of interest on any series of Bonds from gross income for Federal income tax purposes.

Reserve Fund

General

Pursuant to the Ordinance, simultaneously with the delivery of the Series 2005 Bonds to the initial purchasers thereof, the Reserve Fund will be funded in an amount equal to the Reserve Requirement. The Reserve Fund secures the Parity Bonds, the Series 2005 Bonds, and any Additional Parity Obligations on an equal basis. The County has covenanted to maintain the Reserve Requirement on deposit in the Reserve Fund. The Reserve Requirement is the lesser of (i) ten percent of the proceeds of the Bonds, (ii) the Maximum Bond Service Requirement on the Bonds becoming due in any ensuing Bond Year, or (iii) 125% of the Average Annual Bond Service Requirement on Outstanding Bonds becoming due in any Bond Year. Upon the issuance of the Series 2005 Bonds, the combined Reserve Requirement for the Bonds will equal \$_____.

The Reserve Fund is currently funded with surety bonds (collectively, the "Parity Surety Bond") issued by Ambac Assurance Corporation in the face amount of the Reserve Requirement for the Parity Bonds. The County will fund the increase in the Reserve Account Requirement resulting from the issuance of the Series 2005 Bonds by the deposit of a separate surety bond (the "2005 Surety Bond") to be issued by Ambac Assurance Corporation ("Ambac" or the "Bond Insurer") concurrently with the issuance of the Series 2005 Bonds. The Parity Surety Bond and 2005 Surety Bond are referred to collectively herein as the "Surety Bonds." See "2005 Surety Bond" below and "MUNICIPAL BOND INSURANCE" herein for a description of the Bond Insurer. The premium on the 2005 Surety Bond is to be fully paid at or prior to the issuance and delivery of the Series 2005 Bonds.

Any draws on the Surety Bonds will be made only to the extent that moneys on deposit in the Debt Service Fund and credited to the Reserve Fund are insufficient to pay the amount of principal and interest coming due. In the event that the amount on deposit, or credited to, the Reserve Fund, in addition to the amount available under the Surety Bonds, including amounts available under a letter of credit, insurance policy, surety bond, or other such funding instrument (the "Additional Funding Instrument"), draws on the Surety Bonds and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency. The Ordinance provides that the Reserve Fund shall be replenished in the following priority: (i) principal and interest on the Surety Bond and on the Additional Funding Instrument will be paid from first available revenues on a pro rata basis; and (ii) after all such amounts are paid in full, amounts necessary to fund the Reserve Fund to the required level, after taking into account the amounts available

under the Surety Bond and the Additional Funding Instrument will be deposited from next available revenues.

Funds in the Reserve Fund shall be used only for the purpose of paying the Bond Service Requirement with respect to the Bonds, to the extent that funds in the Debt Service Fund are insufficient therefor, and for no other purposes. "Bond Service Requirement" means in any Bond Year (or fiscal year) (i) the sum of the amount required to be deposited into the Interest Account in such year, (ii) the amount required to be deposited into the Principal Account in such year, if any, and (iii) the amount required to be deposited into the Redemption Account in such year, if any. Any excess moneys on deposit in the Reserve Fund will be transferred by the County to the Debt Service Fund.

2005 Surety Bond

The 2005 Surety Bond unconditionally guarantees the payment of that portion of the principal of and interest on the Bonds described therein which has become due for payment, but shall be unpaid by reason of nonpayment by the County, provided that the aggregate amount paid under the 2005 Surety Bond may not exceed the maximum amount set forth in the 2005 Surety Bond, \$_____. Financial Guaranty will make such payments to the Paying Agent for the Bonds on the later of the date on which such principal, or interest is due or on the business day next following the day on which Financial Guaranty shall have received notice from the Paying Agent of the nonpayment of such amount by the County.

The 2005 Surety Bond is non-cancellable and the premium will be fully paid at the time of delivery of the Series 2005 Bonds. The 2005 Surety Bond covers failure to pay principal of the Bonds on their respective stated maturity dates and not on any other date on which the Bonds may have been accelerated, and covers the failure to pay an installment of interest on the stated date for its payment. The 2005 Surety Bond shall terminate on the scheduled final maturity date of the Series 2005 Bonds being issued. See "MUNICIPAL BOND INSURANCE – AMBAC ASSURANCE CORPORATION" herein for a description of the Bond Insurer.

Unless otherwise provided in the Ordinance, the Bond Insurer's consent is required in lieu of a bondholders consent, when required, for (i) the execution and delivery of any supplemental ordinance, (ii) removal of the Paying Agent or selection and appointment of any successor trustee or paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires bondholders consent.

Flow of Funds

Pursuant to the Parity Ordinance, the following funds and accounts have been created for the Bonds, which funds and accounts are trust funds held for the purposes provided in the Parity Ordinance and the Ordinance: a "Revenue Fund," a "Debt Service Fund" and therein a "Principal Account," an "Interest Account," and a "Redemption Account;" a "Reserve Fund;" and a "Construction Fund." The Ordinance also creates a Rebate Fund, provided, however moneys in the Rebate Fund are not Pledged Revenues and are not pledged in any manner for the benefit of the holders of Series 2005 Bonds. Moneys in the Rebate Fund (including earnings and deposits therein) must be used for future payment to the United States Government as required by the

United States Treasury Regulations or be returned to the County if not required for the preceding purpose.

The Ordinance provides that the principal of and interest on the Series 2005 Bonds will be payable from the Debt Service Fund established in the Parity Ordinance on a parity with the Parity Bonds and payments shall be made into such Debt Service Fund by the County in amounts fully sufficient to pay the principal of and interest on the Parity Bonds and the Series 2005 Bonds as such principal and interest become due. The Ordinance also provides for the deposit of capitalized interest received from the proceeds of the Series 2005 Bonds to be deposited to the Interest Account of the Debt Service Fund.

Pursuant to the Parity Ordinance and the Ordinance, for so long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid or until the County has made provision for payment of principal, redemption premium, if any and interest with respect to the Bonds, as provided in the Parity Ordinance and the Ordinance, the County covenants with the Holders of any and all Bonds as follows:

(A) REVENUE FUND. All Pledged Revenues, after payments required by the Senior Ordinance, shall be deposited in the Revenue Fund. All deposits into such Revenue Fund shall be deemed to be held in trust for the purposes provided in the Parity Ordinance and the Ordinance and used only for the purposes and in the manner herein provided.